



ARMY BENEFITS CENTER - CIVILIAN (ABC-C)

At Fort Riley, Kansas

ABC-C News

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Long Term Care Announces Open Season

The Federal Long Term Care Insurance Program (FLTCIP) Open Season is from April 4, 2011 through June 24, 2011, and is the first abbreviated underwriting opportunity (applicants will answer fewer health questions) for non-enrolled applicants since 2002. Please see the eligibility criteria on the Long Term Care website at http://www.ltcfeds.com/FLTCIP_OpenSeason.html to see if you can apply with an abbreviated application during the open season.

Why Did My Federal Income Tax Withholding Amount Change?



The "Making Work Pay" tax credit expired December 31, 2010. As a result, you may have seen an increase in the amount of federal income tax being withheld. The tax withholding tables published by the Internal Revenue Service (IRS) were adjusted to provide for the correct withholding amounts without this credit. The tax rates did not change; only the tax withholding tables changed.

Saving by Changing Your FEHB

Once your children are grown and no longer eligible to be covered under your family Federal Employees Health Benefit (FEHB) plan, it is usually cost effective for each of the parents to enroll in separate self only plans versus self and family plans.

Civilian federal self and family FEHB plans are priced to allow a group cost providing an allowance to cover families of all sizes. A family with a mom, dad, and four children pays the same for their FEHB plan as a family with only two children and even a family with only a mom and dad and no children.

If both the mom and dad are federal civilian employees, they may find it cost effective to change from and self and family FEHB plan to two self only plans. For example:

- 1) Blue Cross Blue Shield Standard self and family plan biweekly cost is \$199.20 versus Blue Cross Blue Shield self only cost is \$86.39.
- 2) Using the prices above, two self only plans total \$172.78 – a savings of \$26.42 per pay period to carry two self only plans instead of one self and family plan.

If you opt to change to two self only plans, it is very, very important to ensure when you make the change neither you nor your spouse have any days where you are not covered under either the self and family plan or the self only plans. Making the change during open season (November 14 through December 12, 2011) is one way to guarantee both will be effective at the same time and have no loss of FEHB coverage. The Army Benefits Center-Civilian or your local human resources office can provide guidance on making the change outside of open season.

BRAC Buzz

If your activity or installation is affected by BRAC, you should already be planning for retirement just in case you do not find other employment. This means you should have already received an estimate from ABC-C, called with any questions that you may have about retirement, and paid for your entire military deposit prior to your separation.



L 2050 Fund Opens

The new Lifecycle Fund, the L 2050 Fund, opened on January 31, 2011. The objective of this Fund is for investors to achieve a high level of growth with a very low emphasis on preservation of assets. The L 2050 Fund is designed for participants who will begin to withdraw after 2045.

The Fund's allocation in the G, F, C, S, and I Funds is adjusted quarterly. Visit <https://www.tsp.gov> and click on "What's New" at the top of the page, to see how the investments are allocated among the five TSP funds.

Did You Know?

During the month of January 2011 ABC-C counselors took 9,567 calls and answered those calls, on average, within 52 seconds!



The DFAS Corner

The Thrift Savings Plan (TSP) recently mailed the 2010 annual participant statements. If you did not receive your statement, you may want to verify your mailing address in myPay to make sure it is correct. MyPay is the only place you can change your mailing address. Changing it there will update your address with personnel, payroll and TSP.



Financial Focus



The Department of Defense Civilian Personnel Management Service (DoD CPMS) has a "Financial Fitness" section available on their website at http://www.cpmc.osd.mil/finfit/finfit_index.aspx. This site has savings tips, discounts for DoD employees, retirement benefits calculator, information about saving for your life's stages and much more.

Financial fitness means taking a responsible and proactive approach to managing your money. Most people have goals in life. This section of the DoD CPMS website provides information that will help you align your finances with your personal objectives. It also includes tips, techniques, and tools that will help you stay on track to achieving your goals -- little by little, everyday!

Federal Employees' Group Life Insurance (FEGLI) Changes for Retirees

The final regulations state that there will be only one post-65 election for Option B and Option C. The election will be made at the time of retirement. In this election, you can choose "No Reduction" for some multiples and "Full Reduction" for other multiples. For example, if you have three multiples, you can elect to have two with "Full Reduction" and one with "No Reduction." "Mixed elections" are allowed. There is no "second election" at age 65.

Annuity and compensationers receiving benefits from the Office of Workers' Compensation Programs (OWCP) who retired since this statutory provision became effective on April 24th, 1999, who are under age 65, and who have Option B and/or Option C insurance will be given the opportunity to make their "second" final election in the near future. The SF 2818, "Continuation of Life Insurance Coverage as an Annuity or Compensation", is currently being revised based on new regulations which

took effect October 1, 2010. The new regulations eliminate the "second opportunity" election as described in Page 2 "Optional Insurance" for those who are eligible and elect to continue Option B and/or Option C into retirement. Until the new form is ready, please use the current form.

Make your Basic and Option A elections per the instructions on the form. For Options B & C, disregard the current information on page 2 of the form regarding a second opportunity. **You must make your final Option B and/or Option C election now, when you retire, as you already do for Basic and Option A.** There is no second opportunity to change your election, and you will not receive a "second election opportunity" letter. You can always change your Option B and/or Option C reduction election to "Full Reduction" at any time (if you have not assigned your coverage).

Social Security Scoop

Did you know that Social Security offers an online retirement application that you can complete in as little as 15 minutes? In most cases once your application is submitted electronically, you are done. Social Security will process your application and contact you if any further information is needed. You can find more information at <http://www.ssa.gov/planners/about.htm>.

From the Editor:

When I started working at the ABC in 1999, I only knew 2 things about retirement: I had more than 10 years until I was eligible AND it couldn't come soon enough.

In the years since then, I have learned a lot about retirement from working at ABC. In addition, my husband retired from his private-sector job, which provided a different perspective on the retirement process.

I have been involved with all phases of the retirement process to include providing final retirement counseling and conducting retirement briefings. To be honest, I had developed an indifferent attitude toward the retirement process. Now that I have a semi-firm retirement date my attitude has changed. This is now **REAL** and **PERSONAL** and no longer just part of my job! I will soon be making decisions that will affect me for the rest of my life.

Over the next two and a half years, as I walk through the retirement process, I will be sharing my experiences and thoughts through this forum.

"Life begins at retirement." ~Author Unknown

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